

Message Text

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73

ACTION XMB-04

INFO OCT-01 EUR-12 ISO-00 EB-07 AID-05 TRSE-00 OMB-01

CIAE-00 INR-07 NSAE-00 L-03 PA-01 PRS-01 USIA-06 /048 W

----- 043515

R 101405Z SEP 75

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC 9134

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E.O. 11652: N/A

TAGS: BPRO, XMB, FI

SUBJECT: EXTENSION OF CFF

REF: STATE 141821

1. EMBASSY HAS NO OBJECTION TO PROPOSED EXTENSION OF DOLS 1 MILLION COOPERATIVE FINANCING FACILITY FOR ONE YEAR TO HELSINGIN OSAKEPANKKI (HOP) (IN SWEDISH, HELSINGFORS AKTIEBANK).

2. EMBOFF DISCUSSED WITH SEVERAL CONTACTS HIGHLY PLACED IN OTHER MAJOR FINNISH COMMERCIAL BANKS STORY PUBLISHED IN HELSINKI NEWSPAPER SEVERAL MONTHS AGO THAT HOP HAD MADE NUMBER OF BAD LOANS AND THAT ITS CHIEF GENERAL MANAGER FILIP PETTERSSON WAS BEING EASED OUT BY BANK'S SUPERVISORY BOARD. BANK SPOKESMAN DENIED TO PRESS THAT THERE WAS ANYTHING TO ALLEGATIONS EXCEPT THAT BECAUSE OF DIFFICULT ECONOMIC SITUATION SOME INDUSTRIAL BORROWERS WERE IN DEFAULT ON LOAN REPAYMENTS. ALSO DENIED PLANS TO REPLACE PETTERSSON. CONTACTS APPROACHED IN OTHER BANKS CHARACTERIZED ORIGINAL STORY AS SENSATIONAL JOURNALISM. HOP HAD HAD BAD LUCK ON SEVERAL LOANS AND WAS SOMEWHAT LESS LIQUID THAN THE TWO MUCH BIGGER COMMERCIAL BANKS (OF THE TOP 3), PYP AND KOP. HOWEVER, THEY FELT HOP IS IN SOUND CONDITION. EVEN IF IT WERE NOT, BANK OF FINLAND OR PYP AND KOP WOULD NOT LET IT FAIL --

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A RESCUE OPERATION (TAKEOVER BY ANOTHER BANK?) WOULD

CERTAINLY BE ARRANGED.
AUSTAD

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Message Attributes

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Draft Date: 10 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: WorrelSW
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Review Comment: n/a
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Margaret P. Grafeld
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06 JUL 2006

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